

LONDON BOROUGH OF CROYDON

REPORT:	CABINET and EXECUTIVE MAYOR DECISION	
DATE OF DECISION	JULY 26 TH 2023	
REPORT TITLE:	Procurement of Architectural Professional Consultancy Services for Regina Road Project, South Norwood, and Malton House, to the Grant of Planning Permission and production of technical design for contractor procurement and on-site works – Part A	
CORPORATE DIRECTOR / DIRECTOR:	Susmita Sen: Corporate Director of Housing	
LEAD OFFICER:	Robin Smith: Regina Road Project Lead	
LEAD MEMBER:	Councillor Lynne Hale, Cabinet Member for Homes	
KEY DECISION?	Yes 4523EM	Financial Criteria £1m+
CONTAINS EXEMPT INFORMATION?	YES	Public Part A Appendix 1, 2, and Part B Report and exempt Appendix 3, 4, 5 Grounds for the exemption: Exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 and the public interest in withholding disclosure outweighs the public interest in disclosure
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1 To seek approval for the procurement of Architects and supporting consultant team via a suitable framework which is compliant with Public Procurement regulations. The procurement package is made up of three phases of work. Stage 2 will be optional and will be dependent on the performance and output of the chosen Architects. **Stage 1** is the delivery of a Planning Consent for the Regina Road sites. **Stage 2** is to progress the technical design and contract information required to enable the procurement of a contractor/ developer to enable an early start on site in December 2024 at Regina Road and Malton House. This proposed procurement including the supporting consultants essential to obtain a Planning Consent and the technical design covered under Stage 2.

- 1.2** The three exempt appendices are confidential because they contain commercially sensitive information in relation to estimates of construction costs and fees payable. If these are disclosed, it will guide developers, contractors and consultants towards the upper end of internal estimates, and this will not be in the public interest because it will result in higher prices than necessary.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is recommended:

- 1.3** To approve the procurement strategy contained within this report to appoint Architects and supporting consultant team via a suitable framework which is compliant with Public Procurement regulations to progress the Regina Road project, including the Malton House site. The scope of services is to progress the technical design and contract information required to enable the later procurement of a contractor/ developer to start on site.
- 1.4** To note the procurement actions already taken by the project team to appoint consultants using a waiver with Director's Delegation under the Council's Tenders and Contract Regulations to undertake key surveys.

3 BACKGROUND & STRATEGIC CONTEXT

- 1.5** Key Background Reports are those considered by Cabinet on 16 November 2022 – Regina Road Estate, Norwood (Key Decision: 5122EM) - and on 22 March 2023 – Regina Road Estate, Norwood: Outcome of Statutory Consultation and Arrangements for a Ballot of Residents on the Landlord Offer (Key Decision: 8622EM) which set out a wealth of background and technical information on the Regina Road Project and the Large Panel System (LPS) tower blocks within the Borough.
- 1.6** Cabinet considered the position at Regina Road in detailed reports on 16 November 2022 and 22 March 2013. The Council's preferred option for Regina Road is to demolish the three LPS tower blocks and surrounding property in a phased redevelopment that will deliver additional homes. A Ballot of residents concluded on 22 May, and the results of the 'yes' vote will be reported to Cabinet on 26 July.
- 1.7** To progress design work between November 2022 and, initially, a Cabinet meeting in February 2023, BPTW Architects were appointed using a waiver with Director's Delegation under the Council's Tenders and Contract Regulations. Subsequently, the report was made to Cabinet on 22 March 2023 and BPTW were asked to continue work through March and the April/May Ballot until at least Cabinet on 26 July 2023

when the results of the Ballot will be formally reported and key decisions on next steps made.

- 1.8** In view of the original process adopted by the Council to appoint BPTW Architects, the Council is not in position to exceed the value of BPTW current commission and undertake a direct award. Such action would leave the Council in breach of Procurement regulations. To progress the appointment of the Architect and supporting consultant teams a new procurement workstream is now required.
- 1.9** The enclosed schedule sets out the Professional Consultancy Services necessary to support and progress the Regina Road Project to Planning Permission in 2024 (subject to permission being granted by the Local Planning Authority). The Architectural team will need certain key information to satisfy Planning Policy and will cover matters such as the following:
- Main architectural design team
 - Planning & Related Services including carbon assessments.
 - Landscape Architects
 - Quantity Surveyor
 - Daylight & Sunlight assessments
 - Site Surveys
 - Arboriculturist
 - Car Parking Surveyor
 - Traffic Consultant
 - Structural Engineer
 - Mechanical & Electrical
 - Drainage engineer
 - GLA grants

Procurement action has already been taken by the project team to progress key surveys and investigation work using a waiver with Director's Delegation under the Council's Tenders and Contract Regulations Details are set out in Part B appendix 4.

1.10 Malton House

A site at Malton House, South Norwood, with live Planning Permission for up to nine homes, has been purchased by the HRA with a view to early construction to assist with the decanting of residents from the Regina Road phase 1 tower block. Malton House is included in the Regina Road Phase 1 delivery procurement set out below.

1.11 LPS Block Assessment Stages 1 & 2

Arup special structural engineers have been appointed by the Council to undertake a structural survey and analysis of the LPS blocks at Regina Road and elsewhere. Stage 1 is data analysis; Stage 2 is intrusive investigations. This will provide further information on the likely structural condition of the LPS block which will inform the wider strategy to be adopted by the Council of the remaining LPS blocks. A further paper is proposed for October to set out recommendations and next steps on the next phases.

1.12 Programme & Key dates – Regina Road Phase 1

The schedule below sets out the proposed key programme dates for the Phase 1 works at Regina Road. Please note that it is intended that Malton House will be built as part of Phase 1 at Regina Road, so the start on site date below also includes Malton House.

Event	Start	End
PPA/ Pre application meeting No.1	14 June 2023	
Residential Engagement, Masterplan	July 2023	July 2023
Place Review Panel No. 1	End of July 2023	August 2023
Cabinet Meeting	26 th July 2023	
Public Exhibition on initial proposals	September 2023	September 2023
Informal Pre-Application Workshops/ Meetings	September 2023	February 2024
Additional resident/ public workshops and Exhibitions	October	December 2024
Place Review Panel No.2	November 2023	November 2023
Design Freeze & Preparation of Supporting Documentation	15 December 2023	February 2024
Pre-App Committee presentation	December 2023	January 2024
Place Review Panel No.3	January 2024	February 2024
RIBA Stage 4a (tender) Design Development	January 2024	April 2024
Planning Application – Ghost submission to test processes	February 2024	March 2024
Final Approval by Corporate Director Housing to Submit Planning Application	March 2024	End of March 2024
Planning Application - Statutory Determination Period (13 weeks)	April 2024	July 2024
Planning Application - Statutory Consultation	April 2024	May 2024
Planning Application - GLA Stage 1 Response	May 2024	May 2024
Contractor Tender Process	May 2024	July 2024
Planning Application - Agreement of S106 equivalent	May 2024	July 2024
Planning Application - LB Croydon Planning Committee, determination of application by Borough	July/August/September 2024	July/August/September 2024
Planning Application - GLA Stage 2 Referral	August/September 2024	September 2024

Preparation of Details for Pre-Commencement Conditions	July 2024	September 2024
Issue of Planning Permission (if granted by the Planning Committee)	August 2024	September 2024
Judicial Review Period of 6 weeks (if the Planning Permission is granted by the Planning Committee)	October 2024	November 2024
Contractor Award	October 2024	October 2024
Submission and Discharge of Pre-Commencement Planning Conditions	September 2024	December 2024
Start on Site	December 2024	
Commence Build Phase 1 homes	December 2024	August 2026

- 1.13** Quality modern housing fit for purpose is a critical aspect and intrinsic part of the HRA asset management strategy and business plan to ensure the correct management and health & safety of our homes.
- 1.14** This project supports the Mayor's key priority of housing improvement and Croydon is a cleaner, safer, and healthier place by ensuring health and safety of the Council's housing stock.

4 CONSULTATION

- 1.15** Consultation within Housing via DMT, with Procurement and with CMT has been undertaken in compiling this report. Also, with the Corporate Project Board attended by the Cabinet Member for Housing.

5 REASONS FOR PROPOSED DECISION

- 1.16** To enable the Council to progress the Regina Road phased scheme in a compliant and legal manner. To make early progress and have the teams in place soon, mini competitions will be held between experienced consultants via recognised Framework arrangements where competition on pricing rates has already been undertaken.
- 1.17** The framework will tender and evaluate in accordance with Most Economically Advantageous Tender, with the apportionment for this project funded through the Housing Revenue Account set as 50% cost, 10% social value and 40% quality.

1.18 The tender responses will be evaluated in accordance with the Tenders and Contracts Regulations to ensure probity, value for money and that the most economically advantageous providers chosen to deliver the service. The successful provider(s) who achieves the highest combined quality/price/social value score.

1.19 The Council will seek to satisfy itself that the supplier can meet its Professional Consultancy Services requirements – through assessment of the following elements:

- **Quality 40%:**

Quality Criteria:	Tier 2 Weighting
Overall strategic delivery and resource allocation.	10%
Operational Service Delivery	10%
Staffing Experience – strategic and operational	5%
Quality Assurance and Compliance	5%
<u>Technical Competency</u>	10%

- **Social Value 10%:**

Social Value Criteria:	Tier 2 Weighting
Social Value	10%

- **Pricing 50%:**

Pricing Criteria:	Tier 2 Weighting
Pricing Value	50%

Potential bidders will be evaluated for price based on project specific rates and day rates where applicable. All pricing methods will be captured in the pricing schedule / Cost Model supplied in the ITT. The Bidder(s) which submit the lowest project rates together with the highest quality & social value presentation will receive the maximum score where applicable in relation to each of these scoring sections.

6 Contract Terms and Condition

1.20 The intention is to use a standard contract that goes with the chosen Framework which will be compliant with Public Procurement contracts.

7 Savings and Efficiencies

- 1.21** The new procurement workstream will enable the Council to progress at pace the wider scale development of the Regina Road avoiding costly delays.

8 Contract Management

- 1.22** Contract Management will be carried out by the Regina Road/LPS Blocks Team within Housing which is currently being recruited to support the Regina Road/LPS Blocks Lead. Regular fortnightly meetings are already held, with monthly reports to the Corporate Project Board to ensure transparency and good governance.

9 Premier Supplier Programme (PSP):

- 1.23** The chosen Architects have the opportunity to sign up for the Council's Premier Supplier Programme, to enable them to receive prompt invoice payment. This is an accelerated payment scheme offered to suppliers to pay them in advance of the standard Council 30 days payment terms in exchange for a small discount on the value of the invoice.

10 Information Management

- 1.24** The contract may include the processing of personal data, as access to tenants' properties may also be required. The personal data will relate to information on tenants' contact details, including name, address, phone number and/or email address. This is required to allow consultants / contractors to contact tenants to gain access to properties, where required.

11 Social Value

- 1.25** As the Council is committed to delivering on social value, the service provider will be expected to demonstrate their commitment to deliver and/or adhere to the following social value requirements:

- Local supply chain opportunities
- Social Investment (Community voluntary engagement and sponsorship)
- Joint training and development (Work Experience placement opportunities for young people and those who have been on long term unemployment and school engagements)
- Employment opportunities for those who live in Croydon (via Croydon Works)
- Apprenticeship
- London Living Wage

- 1.26** The service provider will also be given an opportunity to offer alternative ways in which they feel they could contribute to the delivery of social value in the borough which may not be included in the above list.

12 London Living Wage

1.27 The London Living wage will form part of the proposed service contract.

13 OPTIONS CONSIDERED AND REJECTED

The Table sets out the options which have been explored for Regina Road. Malton House is a relatively small project that will provide up to nine homes for decant capacity. Malton House is a vacant site with Planning Permission previously owned by Brick-by-Brick and bought by the Housing Revenue Account as the most feasible option for addressing the empty site. The site will be built as part of Phase 1 for Regina Road.

REF:	OPTION SUMMARY	PROS	CONS	COMMENTS
1	Do nothing.	None.	Residents have voted overwhelming in a recent Ballot to demolish and rebuild housing at Regina Road. The Regina Road LPS blocks are nearly 60 years old and likely to be approaching the end of their structural life. The blocks must be registered by September 2023 with the Building Safety Regulator who will in due course consider granting a licence for continued residential occupation. Surveys already undertaken demonstrate that structural strengthening is likely to be required at greater cost than rebuilding. Failure to address the requirements of the Regulator under the new Licensing Scheme would require the removal of all residents for the LPS blocks	This option is not recommended.
2	Bring the professional services in-house.	Greater control of the workforce in its deployment and strengthens the retention of current staff knowledge.	There are no staff capable of handling the extensive and specialised work involved. An extensive and lengthy recruitment would be involved. The competency of newly recruited in-house staff will be untested compared to experienced external consultants.	This option is not recommended.

			Also, the Council do not have the current internal resources or infrastructure to manage a significant professional recruitment programme.	
3	Issue invitation to tender via a suitable public sector Framework.	To enable the Council to progress the Regina Road phased scheme in a compliant and legal manner	The Framework contains approved providers which includes the current Architects where all suppliers have passed scrutiny.	This is the recommended option.
4	Extend contract by Direct Award	Continuity of design work with the existing team, who have built rapport with residents and with the Local Planning Authority	This is not compliant with Public Procurement Regulations and consequently not open to the Council to pursue	This option not recommended

1.28 Financial

- The cost for the appointment of the Architectural Consultant Team for Phase 1 at Regina Road and Malton House will be met from the HRA Capital budget.
- Budget estimates of likely spend costs are set out in Part B – Exempt Appendix.4 and Exempt Appendix 5
- Expenditure will be in 2023/2024 and 2024/2025 financial years and will be included in the next iteration of the HRA Capital programme and the HRA Business Plan.

1.29 Viability

The current scheme does have viability challenges and **Part B Exempt Appendix 5** sets out what these are and the likely mitigation measures that the Council can take.

1.30 Essential Spend and S114 Rationale

This expenditure is essential expenditure from the Housing Revenue Account, not the Council's General Fund, and is therefore outside of the current S114 restrictions.

1.31 Risks

The schedule below sets out the key risks associated with this phase 1 scheme.

Risk	Detail	Mitigation	RAG
Funding Risk	The GLA have set a target start on site of Dec 2024 for the Council to secure GLA funding. In the event that the start on site date is not achieved there is a risk of a loss of grant funding from the GLA	Discussions with the GLA are on-going to define a 'start on site' given that there will be need for site enabling and site clearance to take place prior to new construction works commencing.	
Planning Risk	The proposed scheme does propose an outline scheme design which increases both development height and density as compared with the local plan for the areas	Discussions are continuing with the LPA to develop a scheme which would with the GLA are on-going to define a 'start on site' given that there will	
Development costs increases due to market conditions.	The current market conditions are challenging due to external factors e.g., inflation is increasing due to factors overseas.	Robust contract management of the Service Providers and the intention to enter into fixed price contracts where possible.	
Programme delay	Delays in workstream outputs resulting in planning and contractor procurement delays	A detailed project programme and timetables will be developed with the chosen Architects which will include contingency to address any potential unforeseen activities that may occur.	

Approved by Orlagh Guarnori Head of Finance – Housing on behalf of the Director of Finance.

14 LEGAL CONSIDERATIONS

- 14.1** Pursuant to clause 1(1) of the Localism Act 2011 a local authority has power to do anything that individuals generally may do. The Council also has power under section 1 of the Local Government (Contracts) Act 1997 to enter into a contract

with another person for the provision or making available of assets or services, or both, (whether or not together with goods) for the purposes of, or in connection with, the discharge of a statutory function by the local authority.

- 14.2** The Executive Mayor has the power to exercise executive functions pursuant to s9E of the Local Government Act 2000. The Executive Mayor has not delegated the decision making authority relating to the recommendations in this report.
- 14.3** The Council is under a duty to comply with the Public Contracts Regulations 2015 (PCR) when entering into regulated contracts. The proposed procurement strategy to appoint Architects and supporting consultants set out in the recommendations of this report is to utilise existing compliant frameworks. The use of frameworks agreements is set out in Regulation 33 of the PCR. The Council should comply with the requirements of the PCR and any other requirements included within the established framework.
- 14.4** The Council is also under a general Duty of Best Value to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007)).

Pending approval by the Head of Commercial & Property Law on behalf of the Director of Legal Services and Monitoring Officer.

15 HUMAN RESOURCES IMPACT

- 15.1** There are no immediate Human Resource impacts arising from the content of this report for the Council employees or staff.

16 EQUALITIES IMPACT

- 14.5** The Council has a statutory duty to comply with the provisions set out in Sec 149 of the Equality Act 2010. The Council must therefore have due regard to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 14.6** The department have sought to collate some data on protected characteristics at Regina Road and now hold some data on: ethnicity, sex, sexual orientation and religion. Over the course of the forthcoming months more data will be gathered on the remaining characteristics and efforts will be made to build trust which will support residents sharing their data. During the consultation efforts have been made to pay due regard to all equality characteristics by ensuring that the consultation was accessible to all residents in particular those who may not have English as a first language and residents who are non-neurotypical.
- 14.7** The EQIA produced in November 2022 is a live document and has been updated by Housing and this was last reported to Cabinet on 22 March 2023 to help comply with the Equalities Act 2010. There have already been improvements on the collection of data regarding protected characteristics. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively. This is attached as Appendix 2.
- 14.8** The Equalities Strategy including the Pledges named above, are provided to all bidders during the tendering stage of the procurement process. Social Value objectives also mirror the Council's commitments to equalities and diversity.
- 14.9** Approval by: Denise McCausland – Equality Programme Manager 18/05/2023

17 ENVIRONMENTAL IMPACT

There are no adverse environmental impacts expected with carrying out these services. Ensuring Council buildings are safe helps mitigate environmental risks.

18 CRIME AND DISORDER REDUCTION IMPACT

There are no adverse crime and disorder impacts expected with carrying out these services. Ensuring Council buildings are safe helps mitigate crime and disorder risks.

19 DATA PROTECTION IMPLICATIONS

Some of the project work will require contact details for the arrangement of mutually agreed survey appointments to undertake internal property surveys at existing properties and will therefore involve the processing of personal data or special category data. A Data Protection Impact Assessment was completed on 28 November 2022, and this was agreed by the Data Protection Officer on 9 December 2022 in relation to the data to be collected up to and including the ballot.

All procurement implications are set out in the report.

CONTACT OFFICER: Robin Smith – Regina Road/LPS Blocks Project Lead

APPENDICES TO THIS REPORT:

Part A – Public

Appendix 1 - Site Location Plans

Appendix 2 - EQIA (attached)

Part B – Exempt

Appendix 3 – Professional Fees

Appendix 4- Waiver Schedule

Appendix 5 – Viability

PREVIOUS CABINET REPORTS

Cabinet, 16 November 2022– Regina Road Estate, Norwood

Key Decision: 5122 EM

Cabinet, 16 November 2022– Regina Road Estate, Norwood, Outcome of Statutory Consultation and arrangements for a Ballot of residents on the Landlord Offer

Key Decision: 8622 EM